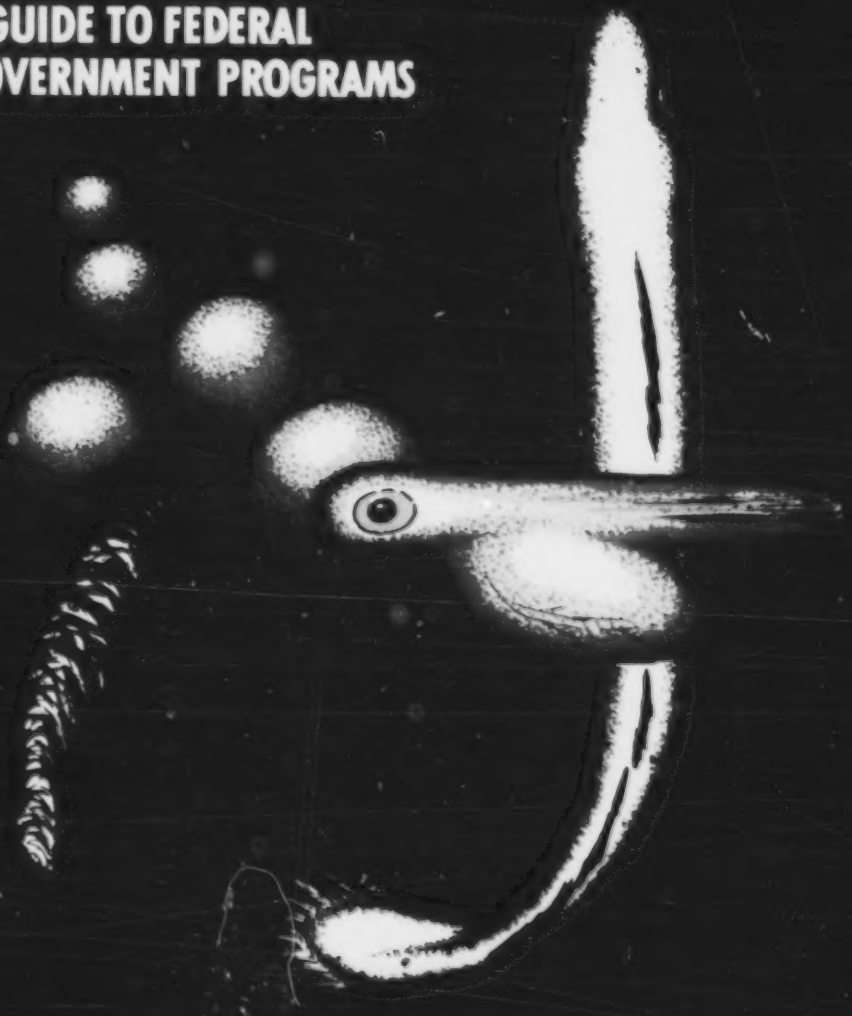
AQUACULTURE
DEVELOPMENT IN CANADA

A GUIDE TO FEDERAL GOVERNMENT PROGRAMS



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Scientific Excellence
Resource Protection & Conservation
Benefits for Canadians

PREFACE

As one of my major priorities when I was appointed Minister of Fisheries and Oceans, I directed the Department to increase its efforts in support of Canada's fast growing aquaculture sector.

With its concentration on high value and specialized production, I expect aquaculture to be an increasingly important contributor to the Canadian fisheries economy.

My provincial colleagues and I recognized the importance of the aquaculture industry in our joint *Report on Challenges Facing the Fishery Sector*, which was endorsed by First Ministers at their Annual Conference held in November, 1986. In that report we agreed to establish in each province a 'one-stop' licensing and leasing scheme for commercial aquaculture that would reduce, to a minimum, the regulatory burden on the private sector. We also agreed to cooperate in our efforts to promote the orderly development of this industry. Since that time, several formal agreements on joint action have been concluded between my provincial colleagues and me, and others are under active discussion. A number of federal, provincial and industry consultative committees have also been put in place.

For many relatively young and technically oriented industries such as aquaculture, government support and expertise can be of considerable benefit in the early years of their development. This guide responds to the need of the aquaculture community and provincial governments for up-to-date information on the range of federal government programs of benefit to aquaculture enterprises.

RECEIVED
MAY 15 1988
Ans'd

Honourable Tom Siddon
Minister of Fisheries
and Oceans

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INTRODUCTION

This publication provides a compendium of the programs of the federal government that support the development of aquaculture in Canada. The guide is presented in two parts. Part I focuses on the programs of the Department of Fisheries and Oceans. Part II provides a description of those programs administered by other federal departments and agencies. Descriptions of each program include its objective, scope and target, criteria, terms and conditions, eligibility and the contact for further information. In total, the guide provides information on 49 programs administered by 13 departments and agencies of the federal government. At the back of this guide are indexes of the programs listed by category (e.g., Research and Development) and by department or agency.

Comments on any aspect of this publication are welcome and should be addressed to:

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Strategic Policy and Planning Directorate
Policy and Program Planning Branch
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200 Kent Street
Ottawa, Ontario
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(613) 993-2154

PART I

PROGRAMS OF THE DEPARTMENT OF FISHERIES AND OCEANS

ONGOING PROGRAM SUPPORT

Federal jurisdiction over sea coast and inland fisheries, public harbours and navigation in marine and inland waters is established by the *Constitution Act* and exercised by the Department of Fisheries and Oceans (DFO). The direction and extent to which this federal responsibility is carried out have been determined by judicial interpretation, by agreements with provinces and by the evolution of public policy. Some provinces have been delegated varying degrees of administrative responsibilities over fisheries matters by the federal government.

While other federal departments contribute to the management of Canada's water-based activities, DFO is the only federal department whose primary focus is water and the resources it contains. Under the *Government Organization Act*, DFO also has responsibility for the coordination of the policies and programs of the Government of Canada respecting oceans.

ROLE IN AQUACULTURE

The department is recognized as the 'lead' federal department for aquaculture. In meeting its responsibilities in this sector of the fishing industry, DFO is pursuing a dual strategy: undertaking joint and coordinated action with provincial governments to ensure orderly development of the industry, and carrying out programs and activities supportive of the industry.

The overall direction for joint federal-provincial action was established through discussions by fisheries ministers during 1985/86 that culminated in a *Report on Challenges Facing the Fishery Sector*, which was presented and endorsed by First Ministers at their Annual Conference held in Vancouver, November 20-21, 1986. The report established a series of goals and principles to be pursued in conjunction with the

industry (see Appendix A) and an agreement "to negotiate Memoranda of Understanding our aquaculture development to establish the framework for federal-provincial involvement in each province." The key provisions of these Memoranda of Understanding (MOUs) are:

- 'one-stop' licensing and leasing of commercial aquaculture ventures; and
- federal-provincial cooperation to promote the orderly development of this industry.

The basic framework for these MOUs is outlined in Appendix B. Negotiations with provincial governments is ongoing. Several MOUs have been concluded and their provisions are being implemented.

As part of its overall responsibility for fisheries and as the 'lead' federal department for aquaculture, DFO undertakes a broad range of activities and programs of assistance to the aquaculture industry. Some of these activities are specifically aimed at assisting aquaculture development, others are more broadly directed in support of the entire fishing industry. These assistance efforts take several forms: financial assistance, specialized services, general services, and infrastructure support. A brief description of these activities and programs follows.

SCIENCE

a) Research and Experimental Development

- Laboratory and field research is undertaken related to infectious diseases (bacterial, viral and parasitological) including immunology; environmental diseases (including genetic abnormalities, stress, neoplasia, toxicities and nutritional deficiencies); behavioural ecology; physiological ecology; experimental ecosystems; definition of nutrient requirements; feedstuff evaluations; diet formulation and performance testing; introduction of exotic species; reproduction physiology and endocrinology; genetics and selection programs; life support technology and engineering development.

- Priorities for work in different disciplines and species groups are assigned on the basis of potential socio-economic benefits to industry, existing knowledge and R&D capability within industry and consultations with clients (government agencies, private sector).

- Results of research are applied to aquaculture to establish stable and feasible production systems and to ensure rational deployment of investment through:

  1) design and evaluation of production systems, including their economic viability;
  2) zonal and regional planning activities; and
  3) licence and permit systems (including formulation and administration of regulations).

- New technologies for modification and adaptation are imported through international scientific liaison and S&T exchanges.

b) Collaborative Research with Industry

- Transfer of technology from government to industry takes place through information distribution mechanisms, including training and extension services; direct contact with scientists; and funding of collaborative research through government programs (e.g., Industrial Research Assistance Program, Unsolicited Proposals Program).

- Proposals for collaborative research with industry are generally submitted by the private sector, reviewed by DFO scientists for technical feasibility and submitted to interdepartmental committees for funding approval. DFO provides scientific managers for approved projects.

c) Hatchery and Fish Culture Facilities

- Operation of these facilities involves capture, holding and spawning of broodstock; incubation of eggs; fry and fingerling rearing; and smolt release. Facilities are designed to provide optimal conditions for fish production; factors affecting design include

need for reduction of stress, efficient distribution of feed, fish disease control, etc.

- Decisions on production levels at each hatchery are principally determined by demand for stocks for enhancement projects. The developing aquaculture industry and research needs also affect production levels.

- Experiments are conducted at hatchery facilities as part of the routine operation to test and develop new technologies which improve efficiency of production (e.g., use of heated effluent to improve growth rates, pond design to reduce stress, aeration systems to improve environment). Results of this research are often relevant to commercial fish farming operations.

d) Disease Diagnostic Services

- Disease diagnosis involves sampling of fish populations and testing for bacterial, viral, parasitic and environmental diseases that affect the particular stocks. Different diseases affect different aquatic species. Following identification of diseases, there may be a requirement to determine sources of disease agents and recommend disease prevention and treatment measures.

- The level of disease diagnostic activities is determined by the frequency and economic threat of disease outbreaks in different organisms, the requirements for providing disease diagnostic services in support of regulations (e.g., *Fish Health Protection Regulations*), regional disease control commitments, etc. Diagnostic services provided to the private sector are determined by the capability of industry to meet its own needs. As the private sector's capacity to provide diagnostic services expands, DFO's support will diminish.

e) Protocols for Safe Movement of Non-Indigenous Stocks and Introduction of New Genetic Resources

- Procedures and operating standards are required to allow movement of stocks with minimal impact on

fisheries resources of receiving waters. Factors taken into consideration in developing protocols include fish health protection and prevention of genetic impoverishment.

- Protocols are formulated on the basis of frequent need for stock transfers by the aquaculture industry and federal and provincial fisheries management agencies.

- In some cases, international collaboration is required in the development of protocols to meet broad regional needs (e.g., under Great Lakes Fishery Commission, or under the North Atlantic Salmon Commission).

FISHERIES MANAGEMENT

a) Licensing

In those areas in Canada where the administration of the fisheries has not been delegated to the provinces or otherwise provided for under Memoranda of Understanding on Aquaculture, DFO exercises federal responsibility for the licensing of aquaculture operations. DFO's licensing procedures are designed to ensure that all relevant factors concerning each application are reviewed and assessed against established policies and regulations.

b) Habitat Review

In conjunction with other elements of DFO and other federal agencies responsible for various aspects of health, safety, and environmental and resource management, DFO assesses the impact on fish and fish habitat of the use or existence of various substances including anti-fouling compounds, drugs, vaccines, biologicals, and the presence of other compounds. These assessments are used to approve licence applications, provide advice to users, and act as an indicator of potential problems or alerts to the Inspection Program.

c) Egg and Smolt Supply

In the case of the Pacific Region of DFO, fish

hatcheries are operated under the Salmonid Enhancement Program (SEP). This program is committed to supplying a specific number of eggs to the B.C. aquaculture industry each year. It is anticipated that the industry will be self-sufficient in egg supply by 1990. To help achieve this goal, DFO is assisting the province and the B.C. industry in the development of private broodstocks.

In Atlantic Canada, hatchery production is managed under the Science Sector. (See reference under Hatchery and Fish Culture Facilities.)

d) Development

Most development support is provided to the industry under structured programs. (See pages 13-19 for details.) However, where opportunities permit, joint activities are carried out with the industry. This approach facilitates the technological transfer of new knowledge, processes and products.

INSPECTION SERVICES

The National Fish Inspection Program is charged with providing reasonable assurance that fish and fish products for domestic and export trade meet Canadian or foreign country grade, handling, identity, process, quality and safety standards. These standards apply equally to fish harvested from the traditional fisheries and to cultured fish. Applicable federal regulations are enforced, as are regulations under provincial legislation (except for Manitoba and Quebec), by federal inspectors. This combined legislative base gives the department a mandate to inspect all fish and fish products intended for export from Canada or for interprovincial trade, all fish and fish products imported into Canada, and most fish and fish products for intraprovincial trade.

Regulations under the *Fish Inspection Act* set standards for fish products and facilities. These standards are set in consultation with industry. DFO's Inspection Services inspect fish and fish products against these standards to determine acceptability of

products for sale (in Canada and in foreign markets) and inspects industry facilities to determine the degree of compliance with construction, equipment and operating requirements.

In the domestic fisheries, DFO inspects vessels, unloading, handling and transport facilities, and processing establishments to ensure operators employ good handling and sanitary practices and use proper equipment, as well as to promote preservation of fish quality. Fish landings are inspected to ensure absence of taint, decomposition and unwholesomeness, and are monitored for compliance with dockside grade standards where such are employed by industry. Finished products are inspected for minimum standards respecting taint, decomposition, unwholesomeness, safety and fairness and for compliance with regulated grade standards. Fish products in compliance with Canadian or foreign requirements are certified for export.

Efforts are also directed toward encouraging industry to produce products of consistent quality. Consistency is achieved through the transfer of technological advancements and practical knowledge to industry. Much of this results from joint government-industry projects studying ways to identify and preserve the quality of Canadian fish and fish products.

The department also inspects imported fish products for compliance with regulatory quality, safety and identity standards and, where practicable, undertakes the establishment of bilateral agreements with those foreign inspection agencies whose technical competence in fish product inspection has been demonstrated. Inspection of imports is based on historical data.

Inspections of products involve either sensory testing (for colour, odour, textures, flavour or appearance aspects) or analytical procedures involving chemical, microbiological or physical examination. Canned fish products are examined for container integrity – botulism is the main concern.

An extensive international and interdepartmental

molluscan shellfish program is in place to prevent the marketing of unsafe or unwholesome molluscan shellfish. This program centres on a Canada-U.S. agreement on the control of molluscan shellfish harvesting, shipping and processing.

Responsibilities in this joint program are as follows:

- Environment Canada surveys the coastline for the degree of bacteriological or chemical contamination and recommends classification of molluscan shellfish growing areas;
- The DFO Inspection Services monitors for the presence of Paralytic Shellfish Poison (PSP), initiates closure action when PSP levels warrant, and monitors commercial shipments of molluscan shellfish for the presence of bacteria of public health significance;
- The Fisheries and Habitat Management Division of DFO is responsible for surveillance of growing areas to prevent illegal harvesting activity; and
- Health and Welfare Canada provides analytical support in the analysis for the detection of the presence of PSP.

SMALL CRAFT HARBOURS PROGRAM

Under this program, the department operates a national system of small craft harbours in support of commercial and recreational boating. With responsibility for the construction, maintenance and upgrading of over 1,400 commercial fishing and 800 recreational small craft harbour facilities throughout Canada, the program provides the infrastructure to support safe access to the fisheries resource.

INTERNATIONAL

DFO cooperates with other federal departments in advancing Canada's fisheries conservation and trade interests throughout the international community by endeavouring to expand access to foreign markets; lower tariffs and reduce non-tariff barriers; and

protect Canadian fishing interests in bilateral and multilateral negotiations. These objectives are pursued through participation in binational and multinational forums.

MARKETING ANALYSIS

In its ongoing efforts to provide both the department and industry with market intelligence and analysis, DFO regularly examines issues related to markets for aquaculture products. Present market studies are focused on farmed salmon sales in the United States and Japan.

STATISTICS

The department, as part of its overall responsibility for the regular collection and dissemination of fisheries statistics, maintains a limited statistical base for aquaculture. Within the framework of the federal-provincial Memoranda of Understanding, provisions are being made to expand and improve this base and to include this information in the department's annual statistical report on the national fisheries.

SCIENTIFIC AND TECHNICAL PUBLICATIONS

As an integral element of DFO's efforts to undertake and support scientific excellence and promote technology transfer in the aquatic sciences, the department publishes a regular array of scientific and technical publications. These research articles, monographs and interpretative publications are geared to informing government organizations, private industry and the public of relevant scientific developments. The information, presented through five separate publication series, is available from authorized booksellers across Canada and in the United States (some are available through subscription).

PROGRAMS

DEPARTMENT OF FISHERIES AND OCEANS PROGRAMS

ATLANTIC FISHERIES TECHNOLOGY PROGRAM (AFTP)

Program Objectives:

- Expand the commercially harvestable resource base through innovative new approaches.
- Develop and utilize conservation-oriented harvesting and surveillance methods.
- Promote habitat restoration and development; in particular, projects that are in support of resource management objectives.
- Where fleets are underutilized, provide programs that assist in fleet rationalization or help improve profitability of the existing fleet without further expanding capacity.

Scope and Target: Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland

Criteria: Projects are approved once a year. Proposals are assessed against objectives, with special emphasis on R&D and technology transfer.

Terms and Conditions: Funding is determined on an individual project basis and may cover a period of more than one year. Funds may be used for experimental R&D, demonstrations, studies and technology transfer.

Eligibility: Consulting firms, academic institutions, individuals or groups of individuals involved in the fisheries sector or related activities (as per guidelines and terms and conditions of the Technology Program).

Contact: AFTP coordinators in DFO regional offices

DEPARTMENT OF FISHERIES AND OCEANS
QUEBEC FISHERIES SUBSIDIARY AGREEMENT

Program Objectives: Federal-provincial agreement to intensify the economic and regional development of Quebec and to create an environment in which Quebec and its regions can achieve their economic potential; to consolidate and improve opportunities for employment and income.

Scope and Target: Quebec

Criteria: Project proposals are assessed against objectives.

Terms and Conditions: Funding may cover a period of more than one year. Funds are mostly provided by means of an agreement setting out specific terms and conditions on an individual project basis.

Eligibility: Eligible recipients are registered fish plants, corporations, individuals or groups of individuals involved in the harvesting, processing, marketing or transportation of fish in Quebec.

Contact: ERDA coordinator in DFO regional office – Quebec City.

DEPARTMENT OF FISHERIES AND OCEANS

EASTERN QUEBEC DEVELOPMENT PLAN

Program Objectives: Federal-provincial agreement to diversify and rationalize the fisheries of the Gaspé and Lower St. Lawrence.

Scope and Target: Eastern Quebec

Criteria: Project proposals are assessed against objectives.

Terms and Conditions: Funding may cover a period of more than one year. Funds are mostly provided by means of an agreement setting out specific terms and conditions on an individual project basis.

Eligibility: Eligible recipients are registered fish plants, corporations, individuals or groups of individuals involved in the harvesting, processing, marketing or transportation of fish in Eastern Quebec.

Contact: DFO district offices – Eastern Quebec.

DEPARTMENT OF FISHERIES AND OCEANS

NEW BRUNSWICK FISHERIES SUBSIDIARY AGREEMENT

Program Objectives: Federal-provincial agreement to improve the efficiency of the fishing and processing industry, to further develop products and markets, to enhance the resource base, and to stimulate the provincial economy.

Scope and Target: New Brunswick

Criteria: Project proposals are assessed against objectives.

Terms and Conditions: Funding may cover a period of more than one year. Funds are mostly provided by means of an agreement setting out specific terms and conditions on an individual project basis.

Eligibility: Eligible recipients are registered fish plants, corporations, individuals or groups of individuals involved in the harvesting, processing, marketing or transportation of fish in New Brunswick.

Contact: ERDA coordinator in DFO regional office - Moncton.

DEPARTMENT OF FISHERIES AND OCEANS

NOVA SCOTIA FISHERIES SUBSIDIARY AGREEMENT

Program Objectives: Federal-provincial agreement to enhance the quality of fish and seafood products, to improve the efficiency of the fishing and fish processing industry, to further develop products and markets, to enhance the resource base, and to thereby strengthen the fishing industry of the province of Nova Scotia and its contribution to the economy.

Scope and Target: Nova Scotia

Criteria: Project proposals are assessed against objectives.

Terms and Conditions: Funding may cover a period of more than one year.

Eligibility: Eligible recipients are registered fish plants, corporations, proprietorships, individuals or groups of individuals involved in the harvesting, processing, marketing or transportation of fish in Nova Scotia.

Contact: ERDA coordinator in DFO regional office - Halifax.

DEPARTMENT OF FISHERIES AND OCEANS

PRINCE EDWARD ISLAND FISHERIES SUBSIDIARY AGREEMENT

Program Objectives: Federal-provincial agreement to improve the efficiency of the fishing and processing industry, to further develop products and markets, to enhance the resource base, and to stimulate the provincial economy.

Scope and Target: Prince Edward Island

Criteria: Project proposals are assessed against objectives.

Terms and Conditions: Funding may cover a period of more than one year. Funds are mostly provided by means of an agreement setting out specific terms and conditions on an individual project basis.

Eligibility: Eligible recipients are registered fish plants, corporations, individuals or groups of individuals involved in the harvesting, processing, marketing or transportation of fish in Prince Edward Island.

Contact: ERDA coordinator in DFO area office – Charlottetown.

DEPARTMENT OF FISHERIES AND OCEANS

THE NEWFOUNDLAND INSHORE FISHERIES DEVELOPMENT AGREEMENT

Program Objectives: To modernize the inshore fleet. This involves upgrading of fishermen skills, construction of vessel support infrastructure, and provision of other fisheries related infrastructure in areas where there is a demonstrated need in order to derive the maximum economic benefits from the resource.

Scope and Target: Newfoundland

Criteria: Project proposals are assessed against objectives.

Terms and Conditions: Funding may cover a period of more than one year. Funds are mostly provided by means of an agreement setting out specific terms and conditions on an individual project basis.

Eligibility: Eligible recipients are registered fish plants, corporations, individuals or groups of individuals involved in the harvesting, processing, marketing or transportation of fish in Newfoundland.

Contact: DFO regional office - St. John's, Newfoundland.

AQUACULTURE COORDINATORS

DEPARTMENT OF FISHERIES AND OCEANS

All Department of Fisheries and Oceans regions have appointed aquaculture coordinators. These coordinators are responsible for acting as the principal departmental points of contact in the region with industry, the provincial government and the academic community on aquaculture matters. They are also responsible for advising DFO on the needs of the industry, and on policies and activities in support of the industry.

Region	*Location*	*Name*	*Telephone Number*
Newfoundland	St. John's	Randy Penny	709-772-4704
Scotia-Fundy	Halifax	Roy Drinan (Science)	902-426-7744
	Halifax	Gary Turner (Fisheries)	902-426-3231
Gulf	Moncton	Maurice Mallet	506-857-7794
Quebec	Quebec City	Jean Lapointe (Fisheries)	418-648-3893
	Mont Joli	Richard Bailey (Science)	418-775-2585
Central-Arctic	Winnipeg	Brian Souter	204-983-5125
Pacific	Vancouver	Ron Ginetz	604-666-3152

PART II

PROGRAMS OF OTHER FEDERAL DEPARTMENTS AND AGENCIES

RESEARCH AND DEVELOPMENT

DEPARTMENT OF SUPPLY AND SERVICES
UNSOLICITED PROPOSALS PROGRAM (UPP)

Program Objectives: The program encourages private industry to submit, on its own initiative, innovative solutions to problems within the science mission of various government departments. The program also provides the opportunity to small businesses to submit projects in the nature of "demonstration in government use" of new and innovative technologies and products in operational settings. The aims of the program are to encourage industry to contribute to the accomplishments of the federal government's technology and science goals and to increase the government's appreciation of Canadian industrial capabilities.

Scope and Target: The program is national in scope. The program can provide (non-reimbursable) bridge funding in support of a project that a federal department or agency wishes to sponsor, but for which it does not have sufficient funds in its current budget. The UP program does not normally provide full funding, or provide funding for a continuation of work conducted under previous government contracts. Projects falling within the areas of basic research, applied research, and related scientific activities (such as feasibility studies, or data collection and analysis) in the natural sciences or the human science fields of urban, regional and transportation studies, are eligible for consideration.

Criteria: In order to be accepted in principle, a proposal must meet three basic criteria.

1. Sponsorship. The proposal must be sponsored by a federal government department or agency.

2. Scientific Merit and Technical Feasibility. The proposal must be judged to have scientific merit and to be technically feasible.

3. Uniqueness. The proposal must be judged to be sufficiently unique to justify waiving the normal competitive procurement process. Uniqueness can mean either that the proposer offers a new idea, or the originator has a unique capability or capacity for carrying out the proposed work.

Terms and Conditions: Acceptance-in-principle will normally lead to a federal government contract to which the standard terms and conditions for federal government contracts would apply.

Eligibility: Individuals, private organizations and commercial industries in Canada, who are incorporated (or recognized) under federal or provincial legislation and carrying out activities in Canada, are eligible. Included are non-profit organizations, universities, public institutions situated in Canada (such as provincial research organizations) and industrial research institutes jointly operated by groups of commercial enterprises.

Contact: Director
Science Programs Branch
Science and Professional
Services Directorate
Place du Portage
Phase III, 12C1
11 Laurier Street
Hull, Quebec
K1A 0S5
Tel.: (819) 956-1784

NATIONAL RESEARCH COUNCIL

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM (IRAP)

Program Objectives: To assist and promote the development of internationally competitive firms through the acquisition and use of up-to-date technology and thereby to further Canada's economic and social development.

IRAP has six program elements. The services of each element are described below:

1. IRAP-C: Field Advisory Service

- provides personal and confidential on-site services to Canadian companies with limited technical resources. Technology advisors assist firms in acquiring or expanding their technological base to ensure their competitiveness and profitability.

2. IRAP-F: Technical Assistance Service

- offers a personal service to assist industry in finding solutions to specific technical problems. With the aid of the latest scientific and technical information, IRAP-F staff advise and assist industry to interpret, use and adapt the most appropriate technology.

3. IRAP-H: Contributions to Firms Employing Undergraduates

- assists small- and medium-sized companies in solving short-term scientific, engineering and technological problems.

- assistance is provided through the support of university or technical college students hired to work under the guidance and supervision of IRAP advisors or other qualified professionals.

- support may be provided to cover costs of student salaries and expenses.

4. IRAP-L: Contributions to Laboratory Investigations

- assists small- and medium-sized companies in solving short-term engineering and technological problems, improving production operations, and expanding or enhancing their technology base by using specialized external laboratory staff and facilities.

- financial assistance may be provided (up to a maximum of $4,000 per eligible project) for a portion of the total project costs for the use of services and equipment available in research institutes, laboratories, universities, consulting firms, and from other resource people.

5. IRAP-M: Contributions to Small Projects

- encourages small companies to carry out worthwhile R&D projects that would not be carried out without technical and financial assistance.

- provides financial assistance (up to $100,000) toward the salary costs of technical personnel working on specific scientific or technical projects - particularly those likely to lead to the development of new or improved products and processes.

6. IRAP-R: Contributions to Major Projects Involving Technology Transfer.

- assists Canadian companies in undertaking major projects that take advantage of technology and expertise found within government laboratories and Canadian universities.

- supports such projects from the conceptual stages through to prototype or pilot-plant development within the company in order to determine whether the technology can result in a commercially viable product or service.

Scope and Target: National

Criteria: IRAP may provide assistance to a company where it can be seen that this assistance is likely to have a significant effect in improving the company's level of technological competence and overall competitiveness.

Proposals for projects requiring financial assistance are considered for support based on factors such as: technical merit; the suitability of the proposed project to the sponsoring company's technological needs; and the potential benefit of the project to the company or the Canadian economy (IRAP support of a company project represents only a portion of the project's total costs).

Terms and Conditions: Terms and conditions vary within IRAP elements.

Eligibility: IRAP assistance is available to any company incorporated in Canada. However, some IRAP elements are targeted to certain kinds of firms (i.e., some are designed to assist smaller companies only). Companies should consult their nearest IRAP technology advisor for more details.

Contact: Interested companies should consult their nearest IRAP technology advisor (listed in the yellow pages under 'technology assistance') or contact the Industry Development Office headquarters in Ottawa at 993-3996.

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL (NSERC)

INDUSTRIAL UNDERGRADUATE RESEARCH AWARDS PROGRAM

Program Objectives: To stimulate the interest of undergraduate students in research.

Scope and Target: National

Criteria: A program to provide salary support for companies hiring undergraduate students as research assistants. Up to eight students may be employed per company during one fiscal year.

Terms and Conditions: NSERC's contribution to student's salary: $750 per month, for a maximum of four months, plus return air fare if transportation is required to and from the student's university. Award may be taken up by students during their normal break from studies.

Eligibility: Companies must meet NSERC's eligibility criteria for participating industrial organizations. Write to NSERC for procedures to follow. Students must be Canadian citizens or permanent residents registered full-time in an undergraduate program in the natural sciences and engineering.

Contact: NSERC
200 Kent Street
Ottawa, Ontario
K1A 1H5
(613) 996-2009

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL (NSERC)

INDUSTRIAL RESEARCH FELLOWSHIPS

Program Objectives: To assist Canadian companies, particularly smaller ones, to develop an improved capability in research, development or innovation.

To promote technology transfer from universities to industry.

To encourage highly qualified scientists and engineers to seek careers with industrial organizations.

Scope and Target: National

Criteria: Provides salary support for companies hiring new doctoral graduates to first-time employment as researchers in industry.

Terms and Conditions: Fellow becomes an employee of the company. Maximum of two years salary support from NSERC at $25,000 per annum. Minimum company contribution of $5,000 to salary and benefits.

Eligibility: Companies must meet NSERC's eligibility requirements for participating industrial organizations. Persons already employed by the company, or who have accepted an unconditional offer of employment from the company, are not eligible. Fellow must be Canadian citizen or permanent resident. Write to NSERC for details.

Contact: NSERC
200 Kent Street
Ottawa, Ontario
K1A 1H5
(613) 996-2009

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL (NSERC)

UNIVERSITY-INDUSTRY PROGRAMS

Program Objectives: To promote collaboration between university researchers and Canadian industry.

Scope and Target: National

Criteria: NSERC will fund university researchers to undertake a wide range of collaborative research initiatives with industry. Includes support for cooperative research and development projects, shared equipment and facilities, research chairs, visiting fellowships, workshops and seminars. The programs are flexible and proposals outside the published guidelines can be considered.

Terms and Conditions: While specifics vary with the individual programs, industry contribution is mandatory. NSERC contribution is variable, but normally equals or exceeds 50% of the costs of the collaboration. Grants are awarded to the university researcher. Projects must be acceptable to the researcher's university.

Eligibility: University researcher involved must be eligible to receive NSERC grants. Company should be incorporated either federally or provincially in Canada, although foreign-based firms can be declared eligible if significant benefits will accrue to Canada from the project. Under certain circumstances federal and provincial Crown corporations are eligible.

Contact: University-Industry Programs
NSERC
200 Kent Street
Ottawa, Ontario
K1A 1H5
(613) 996-1898

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL (NSERC)

STRATEGIC GRANTS

Program Objectives: To promote research in certain defined areas of national interest. These areas are currently biotechnology, oceans, food and agriculture, energy, communications and computers, environmental toxicology, and industrial materials and processes. An 'open' category allows researchers to propose projects outside these areas. Depending on the thrust of the proposal, aquaculture projects could fit in at least three of the areas.

Scope and Target: National

Criteria: Grants to university researchers for individual or group projects, research equipment or conferences. One annual competition based on the excellence of the applicant(s), the merit of the proposed research and its relevance to the selected area.

Terms and Conditions: Grants are awarded in a national, peer-adjudicated competition, held annually.

Eligibility: Researcher must be eligible to receive NSERC grants. Industrial participation is not mandatory, but desirable.

Contact: Strategic Grants
NSERC
200 Kent Street
Ottawa, Ontario
K1A 1H5
(613) 996-1597

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL (NSERC)

OPERATING GRANTS

Program Objectives: To promote and maintain a high quality of university research in the natural sciences and engineering.

Scope and Target: National

Criteria: The program consists of a variety of grants in aid of the ongoing research of university professors. These grants can be used to pay for research costs such as employment of assistants, stipends to graduate students and fellows, equipment, travel, etc.

Terms and Conditions: Grants are awarded in a national, peer-adjudicated competition, held annually.

Eligibility: Principal applicant must hold an academic appointment at a Canadian university (write for details).

Contact: Operating Grants
NSERC
200 Kent Street
Ottawa, Ontario
K1A 1H5
(613) 995-5810

ENERGY, MINES AND RESOURCES

ENERDEMO-CANADA

Program Objectives: To accelerate the adoption and commercialization of energy conservation, oil substitution and alternative energy technologies by supporting their demonstration.

ENERDEMO-CANADA has been designed to develop and demonstrate new technologies and applications that exploit alternative energy resources, conserve energy, or make its use more efficient; to develop broad public awareness of the potential of alternative energy and conservation technologies; to create business opportunities and employment in new or existing industries; and to accelerate acceptance and commercialization of demonstrated technologies.

Scope and Target: National

Criteria: Proposals will be evaluated on energy impact, technical soundings, commercial viability, potential for replication and the applicant's competence.

Terms and Conditions: Contribution of up to 50% of eligible costs. To determine ENERDEMO-CANADA's contribution toward project costs, each project will be assessed individually in relation to the program criteria. The proportion of project costs provided by the applicant is an important factor in proposal evaluation. Funding is available only in proportion to the project's energy aspects. Eligible costs include capital, installation, engineering, labour and material, monitoring, technology transfer and promotion.

Eligibility: Individuals, industrial and commercial establishments, consultants, associations, educational institutions, utilities and municipalities, government departments and agencies, and voluntary and non-profit organizations.

Contact: Energy Conservation Branch
Energy, Mines and Resources
580 Booth Street
Ottawa, Ontario
K1A 0E4
(613) 996-2480

ENERGY, MINES AND RESOURCES

INDUSTRY ENERGY RESEARCH AND DEVELOPMENT PROGRAM (IERD)

Program Objectives: To encourage the development of new and improved products, processes and systems that will increase the efficiency of energy use in the private sector and encourage the widest possible use of this technology.

Scope and Target: National

Criteria: The IERD Program is aimed at encouraging and assisting the development projects dealing with new or improved *products* (e.g., electrical equipment, lower energy-intensive paper, heaters, hot water tanks, etc.), *processes* (e.g., utilizing waste or by-products for combustion, electrical waste or by-products for combustion, electrical chrome plating, paper drying, etc.) and *systems* (e.g., energy management and system for indoor ice surfaces, combustion monitoring and controls for coal-fired thermal electric plants, etc.)

Terms and Conditions: Contribution of up to 50% of the total estimated cost of approved projects.

The sharing rates will depend upon the degree of technical risk, the magnitude of potential energy savings, and the degree to which the technology developed can be used by other companies. The applicant maintains ownership of the developed technology, data, designs or reports from the project but is required to promote the use of the new technology in Canada. If this is not done, the Crown gains unlimited rights to do so.

Eligibility: All companies incorporated in Canada, groupings of companies and individuals, trade and resource organizations and consulting firms.

Contact: Energy Conservation Branch
Energy, Mines and Resources
580 Booth Street
Ottawa, Ontario
K1A 0E4
(613) 996-2480

DEPARTMENT OF EXTERNAL AFFAIRS

TECHNOLOGY INFLOW PROGRAM (TIP)

Program Objectives: To promote international collaboration that will provide the technological innovation needed to develop new or improved Canadian products, processes or services.

TIP makes use of Canadian government offices abroad to facilitate the flow of foreign technology to Canada, and provides Canadian organizations with financial support to assist them in gaining first-hand knowledge of foreign technologies relevant to their needs.

Scope and Target: National

Criteria: Those wishing to acquire the skills and knowledge necessary to develop or produce new or improved products, processes or services. Proposals are evaluated individually against program objectives and the degree of commitment to the project.

Terms and Conditions: For proposals seeking financial support, qualifying expenses are normally shared between TIP and the participating organizations.

Eligibility: Individuals or organizations in the private sector; and for specific technological transfer applications, provincial governments, universities and federal departments and agencies may qualify. Non-federal government applicants should arrange sponsorship of their financial support proposals by a federal department or agency that has an interest in the proposed activity. The sponsor must agree that the proposal has technical merit and the potential to obtain technology that will produce economic benefit for Canada.

Contact: Technology Inflow Program
Science, Technology and Communications Division (TTS)
Department of External Affairs
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 996-0971

ECONOMIC DEVELOPMENT

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT (DIAND)

INUIT ECONOMIC DEVELOPMENT PROGRAM

Program Objectives: To foster the economic development and social betterment of the Inuit by encouraging and assisting the planned development of Inuit-controlled business enterprises.

Scope and Target: Northwest Territories, Labrador and Northern Quebec

Criteria: Evidence of social and economic viability.

Terms and Conditions: Maximum amount of any loan in Northwest Territories is $100,000, and Quebec (including Labrador) is $50,000. Treasury Board approval required for total liability exceeding $250,000.

Eligibility: Any Inuit individual, business, partnership/association or cooperative.

Contact: Consult DIAND district or regional offices.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT (DIAND)

INDIAN ECONOMIC DEVELOPMENT PROGRAM

Program Objectives: To assist and support Indians in achieving economic growth and self-reliance.

The program consists of five components: Business Development and Financial Institutions, Human Resource Development, Oil and Gas and Other Minerals, Resources Development and Activity Management. (Funding for aquaculture projects could be possible under Business Development and Financial Institutions, Human Resource Development and Resources Development.)

Scope and Target: National

Criteria: Separate funding criteria exist for each of the components noted above. In Business Development for example, loans, loan guarantees or contributions are based on viable business plans. Funding is also available for feasibility studies, etc.

Terms and Conditions: Specific terms and conditions for :

i) loans,
ii) loan guarantees,
iii) funding to Indian-controlled resource development institutions, and
iv) employment and training programs

will vary on an individual project basis.

Eligibility: Eligibility for assistance is restricted to status Indians and their organizations or legal agents.

Contact: Consult DIAND district or regional offices.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT (DIAND)

CANADA-YUKON ECONOMIC DEVELOPMENT AGREEMENT: RENEWABLE RESOURCES SUBSIDIARY AGREEMENT (NOTE: PROGRAM IS SCHEDULED TO EXPIRE ON MARCH 31, 1989.)

Program Objectives: To improve and expand renewable resource-based industries in Yukon and to increase participation by northerners.

Scope and Target: Yukon

Criteria: The identification, planning and implementation of renewable resource-related studies, inventories and related projects, or the funding of small-scale pilot projects with the potential for long-term viability, and related criteria established under the agreement.

Terms and Conditions: Support is provided by means of a contribution. The amount of funding will vary according to the merits and nature of the proposal and an assessment of eligible costs.

Eligibility: Any Yukon resident, business, organization or association.

Contact: Yukon Business Development Office or DIAND Regional Office, Whitehorse, Y.T.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT (DIAND)

CANADA-NORTHWEST TERRITORIES ECONOMIC DEVELOPMENT AGREEMENT: RENEWABLE RESOURCES SUBSIDIARY AGREEMENT

Program Objectives: To promote the establishment and expansion of renewable resource enterprises in the north, and to increase participation by northerners.

Scope and Target: Northwest Territories

Criteria: Renewable resource businesses that show evidence of commercial viability and related criteria established under the agreement.

Terms and Conditions: Support is provided by means of a contribution. Applicants' equity contribution should be at least 10% of eligible costs of the proposal. The amount of funding will vary according to the merits and nature of the proposal and an assessment of eligible costs.

Eligibility: Individuals must be residents of the Northwest Territories (N.W.T.). Businesses must qualify under the Government of the N.W.T.'s *Business Incentives Policy.*

Contact: Economic Development Agreement Secretariat, or DIAND regional office, Yellowknife, N.W.T.

DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION
NATIVE ECONOMIC DEVELOPMENT PROGRAM

Program Objectives: Assist native people in the development of economic self-reliance.

Scope and Target: National

Criteria: Commercially viable, native-owned, economic business development initiatives.

Terms and Conditions:

- Contributions, which may be repayable.
- Primary Resources, a minimum 10% equity base, maximum contribution $100,000.

Eligibility: Inuit, Métis, status and non-status Indians in Canada.

Contact: Native Economic Development Program
Department of Regional Industrial Expansion
Ottawa, Ontario
K1A 0H5
(613) 954-4061

Or consult local offices in Vancouver, Winnipeg and Montreal.

DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

COMPLEMENTARY PROGRAM FOR THE INDUSTRIAL DEVELOPMENT OF EASTERN QUEBEC

Program Objectives: Complement and top-up assistance provided under the Industrial and Regional Development Program (IRDP) in Eastern Quebec.

Scope and Target: Gaspé Peninsula and Magdalen Islands

Criteria: Projects eligible under IRDP plus studies related to productivity improvement; establishment of a limited number of non-profit research centres; and production of prospection material by local industrial development agencies.

Terms and Conditions: Financial assistance is provided through contributions. The maximum assistance is 75% for studies, 50% of operations capital cost for research centres, and 100% for initiatives from local industrial developmental agencies.

Eligibility: Individuals, partnerships, cooperatives, corporate bodies and non-profit organizations, dependent on the type of project or activity applied for.

Contact: Department of Regional Industrial Expansion
180 rue des Gouverneurs
Rimouski, Quebec
G5L 8G1
(418) 722-3282

DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION
ATLANTIC ENTERPRISE PROGRAM (AEP)

Program Objectives: Assist business investing in Atlantic Canada.

Scope and Target: Gaspé Peninsula and Magdalen Islands

Criteria: Establishment, expansion and modernization of a commercial operation. Business support for non-commercial operations providing services in support of small- and medium-sized business.

Terms and Conditions:

1) Loan insurance - 85% insurance on new term loans of $100,000 and more. Lenders are charged a yearly insurance fee of 1% of the insured amount.

2) Interest buy-downs - contributions to reduce interest rates up to a maximum of six percentage points on term loans of $25,000 and more.

Eligibility: Individuals, partnerships, cooperatives, corporate bodies or non-profit organizations.

Contact: Department of Regional Industrial Expansion
180 rue des Gouverneurs
Rimouski, Quebec
G5L 8G1
(418) 722-3282

WESTERN DIVERSIFICATION OFFICE

CANADA-BRITISH COLUMBIA SUBSIDIARY AGREEMENT ON SMALL BUSINESS INCENTIVES

Program Objectives: To encourage establishment, modernization and expansion of certain small- and medium-sized enterprises in B.C.

Scope and Target: British Columbia

Criteria: Projects with potential for permanent employment opportunities, export promotions and import replacement.

Terms and Conditions: Interest-free, repayment loans up to $100,000 for up to 5 years, effective October 24, 1985. Maximum eligible costs per project must not exceed $300,000.

Eligibility: Small businesses in B.C. with 75 employees or less and tangible assets not exceeding $2 million.

Contact: Western Diversification Office
Suite 138
200 Granville Street
Vancouver, British Columbia
V6C 1S4
(604) 666-6256

ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)

ACOA ACTION PROGRAM

Program Objectives: Assist business in Atlantic Canada.

Scope and Target: Atlantic Canada

Criteria: Establishment, expansion, modernization, innovation and business studies, by or of a commercial operation. Business support for non-commercial operations providing services in support of small- and medium-sized business.

Terms and Conditions:

1) Loan insurance - 85% insurance on new term loans of $100,000 and more. Lenders are charged a yearly insurance fee of 1% of the insured amount.

2) Interest buy-downs - contributions to reduce interest rates up to a maximum of six percentage points on term loans of $25,000 and more.

3) Capital contributions - 50% maximum toward eligible capital costs for new establishments, 40% maximum for new product expansion, 30% maximum for facility modernization and expansion.

4) Innovation assistance - 60% maximum contribution on eligible costs for financial and technical support.

5) Business studies - 75% maximum of eligible costs for hiring qualified consultants, 50% maximum of costs for hiring personnel for up to one year to implement marketing studies.

6) Business support - grants or contributions to non-commercial operations that provide specialized services in support of small- or medium-sized businesses.

Eligibility: Individuals, partnerships, cooperatives, corporate bodies or non-profit organizations.

Contact: Atlantic Canada Opportunities Agency
P.O. Box 6051
Moncton, New Brunswick
E1C 9J8
(506) 857-6515

Or ACOA provincial offices in Fredericton, Halifax, Charlottetown and St. John's.

ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)

CAPE BRETON TOPPING-UP ASSISTANCE PROGRAM

Program Objectives: Produce a lower after-tax cost of investment in Cape Breton Island.

Scope and Target: Cape Breton Island

Criteria: Assistance for eligible projects covers four elements of a product's (or company's) cycle:

- Innovation: consultation studies; development of new products or processes; technological capability; demonstration and design.
- Establishment: consultant studies; plant establishment.
- Modernization/Expansion: consultant studies; modernization; expansion; adaptation of microelectronic or electronic technology.
- Marketing: consultant studies; special events; market research.

Terms and Conditions: Financial assistance is provided through contributions and repayable contributions up to a maximum sharing ratio of 60%.

Eligibility: Commercial operations in Cape Breton Island.

Contact: Enterprise Cape Breton
P.O. Box 2001
15 Dorchester Street
Sydney, Nova Scotia
B1P 6K7
(902) 564-3905

Or

Atlantic Canada Opportunities Agency
P.O. Box 6051
Moncton, New Brunswick
E1C 9J8
(506) 857-6515

ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)
CAPE BRETON LOAN PROGRAM

Program Objectives: Provide investment dollars to new and expanding businesses.

Scope and Target: Cape Breton Island

Criteria: Loans are available for: innovation projects; establishment, expansion and modernization of facilities; and marketing projects.

Terms and Conditions: Interest rates are equivalent to the best available rates on term loans from the Small Business Development Bank. Maximum term is 15 years.

Eligibility: Commercial operations in Cape Breton Island.

Contact: Enterprise Cape Breton
P.O. Box 2001
15 Dorchester Street
Sydney, Nova Scotia
B1P 6K7
(902) 564-3905

Or

Atlantic Canada Opportunities Agency
P.O. Box 6051
Moncton, New Brunswick
E1C 9J8
(506) 857-6515

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)
MOLLUSC GROWERS' LOAN PROGRAM

Program Objectives: To alleviate cash flow difficulties of Atlantic and Quebec off-bottom mollusc aquaculturists affected by the December 1987 mollusc health alert, through the provision of working capital loans.

Scope and Target: Those areas of Atlantic Canada and Quebec affected by the December 1987 mollusc health alert.

Criteria:

a) Licensed off-bottom mollusc aquaculturists who have produced and sold molluscs in 1987, or have a product in the water in the current year (1988) that is demonstrably ready for sale.

b) The credit-worthiness of applicants will be determined according to FBDB's normal commercial criteria.

c) The loan size will be determined by the FBDB on the basis of the previous years' sales, past investment and current inventories.

Terms and Conditions: The maximum individual loan limit is $50,000 and the lending term 3 years. The interest rate on the loans is 1% above prime and borrowers will have the choice between fixed and floating rates. Applications for loans must be received by October 1, 1988.

Eligibility: All licensed mollusc aquaculturists in the areas of the Atlantic Region and Quebec affected by the mollusc health alert and who are engaged in off-bottom aquaculture are eligible for loans.

Contact: Consult your local government telephone listing.

BUSINESS DEVELOPMENT

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)
TERM LOANS

Program Objectives: To promote and assist in the establishment and development of business enterprises in Canada by providing term loans to allow its customers to acquire fixed assets such as land, buildings, machinery and equipment.

These loans can be offered at floating rates or at rates fixed for varying periods of time. The bank offers six fixed interest rate plans for 1-, 2-, 3-, 4-, 5-, and 7-year terms. Amortization can extend for longer periods depending on the nature of the financing, available security, repayment ability, etc. Floating interest rates can be switched to fixed rates at the borrower's request, for a nominal fee.

Term loans can also be extended to finance many other business proposals, including the purchase of an existing business. In some cases term loans can also be made to replenish or increase the working capital of a business when it has been depleted by recent capital expenditures. Working capital loans can also be granted to finance increasing sales.

FBDB endeavours to structure the repayment terms on its loans according to its clients' ability to repay. It offers a variety of methods such as equal or graduated monthly payments of principal (straight line or stepped payments) or seasonal payments for businesses with revenues that vary greatly with the seasons.

Scope and Target: National

Criteria:

a) That a person or business is engaged or about to engage in a business enterprise in Canada;
b) Credit or other financial resources are not otherwise available to that person or business on reasonable terms and conditions;
c) The amount invested or to be invested in the business enterprise by persons other than the bank and the character of the investment are such that the bank may reasonably expect that such persons will have a continuing commitment to the business enterprise; and
d) The business enterprise may reasonably be expected to prove successful.

Terms and Conditions: The FBDB complements the services offered by financial institutions in the private sector by providing funds for worthwhile projects that are not available elsewhere on reasonable terms and conditions.

Eligibility: Section 20(1) of the *FBDB Act* empowers the bank to provide financial assistance to persons "engaged or about to engage in a business enterprise in Canada." The form of business organization (e.g., sole proprietorship, partnership, corporation, cooperative, etc.) assisted by the bank is not restricted in the act.

Contact: Consult your local government telephone listing.

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)
VENTURE CAPITAL

Program Objectives: To mobilize risk capital in Canada and act as a catalyst in stimulating the formation of the risk capital.

Four specialized units have been established in the Investment Banking Division of the FBDB to serve clients. These units cover four functions:

- Venture Capital
- Equity Financing
- Mergers and Acquisitions
- Syndication and Underwriting

Scope and Target: National

Criteria: The FBDB bases its investment decision upon the following criteria:

- Management: the business must have a highly skilled and financially committed management team with entrepreneurial flair.
- Market Advantage: it must be able to demonstrate a competitive market advantage.
- Strategic Planning: it must have a clearly defined and achievable, long-term, strategic plan.
- Divestiture Opportunity: constructive divestiture route(s) must be evident.
- Return on Investment: the potential return must compensate the investor(s) satisfactorily for the degree of risk assumed.

Terms and Conditions:

- FBDB participation in the affairs of a company is temporary. All of its investments have a finite term.
- The investment will be maintained long enough for the FBDB to achieve a satisfactory rate of return and provide a durable benefit to the company.

- The FBDB will actively track the progress that each investment company makes along its investment time path.

- When the timing appears appropriate, the FBDB will actively seek constructive divestiture opportunities by way of public issue, merger, acquisition, private placement, or sale to other shareholders.

Eligibility: For the FBDB, Investment Banking potential clients are:

- businesses with better-than-average growth potential and a distinctly competitive edge;
- all types of businesses at almost all stages of development: start-up, turn-around, expansion, change of ownership, management buy-out, etc.; and
- businesses located anywhere in Canada.

Contact: Consult your local government telephone listing.

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)
LOAN GUARANTEES

Program Objectives: To promote and assist in the establishment and development of business enterprises in Canada by providing, in the manner and to the extent authorized, financial assistance.

The FBDB can act as guarantor for a client in its dealings with a chartered bank or other financial institutions. A small commission is charged for this service. The security required for a guarantee is usually the same as that required for a term loan.

Scope and Target: National

Criteria:

a) That a person or business is engaged or about to engage in a business enterprise in Canada;

b) Credit or other financial resources are not otherwise available to that person or business on reasonable terms and conditions;

c) The amount invested or to be invested in the business enterprise by persons other than the bank and the character of the investment are such that the bank may reasonably expect that such persons will have a continuing commitment to the business enterprise; and

d) The business enterprise may reasonably be expected to prove successful.

Terms and Conditions: The FBDB complements the services offered by financial institutions in the private sector by providing funds, on reasonable terms and conditions not otherwise available, for worthwhile projects.

Eligibility: Section 20(1) of the *FBDB Act* empowers the bank to provide financial assistance to persons "engaged or about to engage in a business enterprise in Canada." The form of business organization (e.g., sole proprietorship, partnership, corporation, cooperative) assisted by the bank is not restricted in the act.

Contact: Consult your local government telephone listing.

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)

EXPORT RECEIVABLE FINANCING

Program Objectives: Assist small- and medium-sized businesses by providing them with a means to finance their export receivables, hence improving the company's working capital position. This will permit it to concentrate on growth, including an increase in exporting.

FBDB will assist small- and medium-sized businesses by providing an unconditional guarantee of lines of credit obtained from the chartered banks that are secured by export receivables.

Scope and Target: National

Criteria: This program will cover export transactions when the following apply:

a) It is a normal mercantile transaction between a Canadian exporter and a foreign purchaser; and

b) Payment terms on the transaction will be for a short-term period only. While terms of up to one year are acceptable, most transactions will not be longer than 180 days between the time the seller invoices the goods (i.e., a receivable is created) and the purchaser pays for the goods.

Terms and Conditions:

- Commitment fee – 1 to 2%
- Usage fee – 2 to 2½% per annum payable monthly.

Eligibility: Small- or medium-sized business

Contact: Consult your local government telephone listing.

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)
FINANCIAL PACKAGING AND INTERMEDIATION

Program Objectives:

- The obtaining of financing by Packaging and Intermediation clients;
- The involvement of the private sector in financing the Packaging and Intermediation proposals;
- Contributing to the development of business enterprises; and
- Effecting improvements in investment decisions by Packaging and Intermediation clients.

Under this service, the FBDB's Project Development Team makes its experience and expertise as bankers and financial analysts available to small- and medium-sized businesses to assist them in assessing the feasibility of proposed investment projects and in arranging the financing required to implement them.

The team analyses existing or proposed businesses and, in conjunction with clients and their advisors, prepares reports to be used by financial institutions and government agencies to assess their applications for funding.

The FBDB's assessments are intended to be comprehensive and written in language that is understood by financial institutions and government agencies. Financial proposals are structured according to the client's specific needs and to take maximum advantage of the sources of funds available, which may be in the form of equity financing, short- or long-term loans, lines of credit, government grants or a combination of these.

When the proposal is completed, the FBDB is prepared to act as clients' intermediary in presenting their requests for funding to the most appropriate financial institutions or government agencies.

If required, the FBDB may also provide back-up financing where the proposal is within its policy guidelines. With this commitment, the client is able to start the project while still seeking financing from

private sector sources.

Scope and Target: National

Criteria: That a small- or medium-sized business is considering the feasibility of an investment project.

Terms and Conditions: Fees 1 to 3% depending on complexity and time taken to compile the package.

Eligibility: Small- and medium-sized business in Canada

Contact: Consult your local government telephone listing.

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)

COUNSELLING ASSISTANCE FOR SMALL ENTERPRISES (CASE)

Program Objectives: Improve management capability in small- or medium-sized business by providing practical hands-on counselling and guidance by qualified business people tailored to individual needs.

CASE is a unique counselling service offered exclusively to small- and medium-sized businesses by the FBDB. CASE has a roster of more than 1,100 experienced counsellors waiting to advise clients on any aspect of business from bookkeeping to marketing, and from setting up a production line to inventory control. CASE counsellors are retired, experienced and successful business people who choose to remain active.

Scope and Target: National

Criteria: Maximum number of employees - 75.

Terms and Conditions:

- Modest fees; and
- Travel expenses of counsellor paid by the FBDB.

Eligibility: All types of businesses are eligible for assistance (maximum 75 employees).

Contact: Consult your local government telephone listing.

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)
FINANCIAL MATCHMAKING

Program Objectives:

- Assist small- and medium-sized business in Canada
  1) to obtain equity financing, and
  2) to improve business management.
- Assist in the establishment and development of business enterprises in Canada.

Financial Matchmaking is a fully computerized national business and investor introduction and matching service. For investors, this service offers a means to find and invest in businesses in their areas of interest. For business persons, it is a way to find investors for their businesses. Investors sometimes participate in the management of the business.

Scope and Target: National

Criteria: Business and Investor registration in the FBDB national data bank. A match of investor and business interests.

Terms and Conditions:

- $200 registration fee.
- Additional fee for successfully completed matches based on the amount of funding.

Eligibility:

- Small- or medium-sized businesses requiring equity
- Legitimate investors

Contact: Consult your local government telephone listing.

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)
STRATEGIC PLANNING

Program Objectives: Improving management capability in small- or medium-sized business by proper planning procedures resulting in more competitive, more profitable and successful operations.

The Strategic Planning service is designed to help business persons determine whether their businesses are missing important opportunities in the marketplace, are tapping all their strengths, or are suffering from an inadequate financial structure, low productivity, old technology or weak marketing techniques.

Assistance is provided in interpreting information, establishing short- and long-term goals, developing the strategies necessary to achieve these goals, and documenting the analysis, strategies and action plans in a comprehensive "Strategic Business Plan."

Scope and Target: National

Criteria: Management is committed to implementation of a planning process.

Terms and Conditions: Fees – established based on complexity and length of assignment.

Eligibility: Small- or medium-sized businesses in Canada.

Contact: Consult your local government telephone listing.

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)

AUTOMATED INFORMATION FOR MANAGEMENT (AIM)

Program Objectives: To assist small- and medium-sized businesses to improve their competitive position, profit growth and market penetration by providing rapid access to a national information data base available through local FBDB offices. This data base contains information on federal, provincial and municipal government assistance programs, other sources of information and information on business opportunities.

Scope and Target: National

Criteria: None.

Terms and Conditions: None.

Eligibility: Existing and potential businesses and business people in Canada.

Contact: Consult your local government telephone listing.

DEPARTMENT OF EXTERNAL AFFAIRS

PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD) – GOVERNMENT INITIATED

Program Objectives: To promote the export of Canadian goods and services by means of participation in trade fairs, incoming and outgoing trade missions and trade visitors.

(i) Trade Fairs: Program provides exhibition services to participating firms for which the company pays a participation fee.

(ii) Trade Missions: Incoming and outgoing trade missions are planned and coordinated by the Trade Development Division of the Department of External Affairs and the Industry Sector Branches of the Department of Regional Industrial Expansion in consultation and cooperation with other interested federal agencies, provincial agencies and private sector organizations.

(iii) Trade Visitors: Potential foreign buyers and appropriate government representatives are invited to examine Canadian goods and services, and to inspect Canadian production and research capability and regulatory systems.

Scope and Target: National

Criteria: Canadian companies wishing to promote the export of Canadian goods and services.

Terms and Conditions:

(i) Trade Fairs: Assistance includes exhibition space, exhibition design and construction, coordinated shipping service, unpacking and repacking displays, and cost of returning unsold products.

(ii) Trade Missions: Assistance includes return economy airfare and arrangements for hotel, meals and incidental costs up to a specified limit per day.

(iii) Trade Visitors: Assistance includes return economy airfares, hotel accommodation, meals, transportation, hotel bookings in Canada, an officer to accompany incoming buyers while they are in Canada, and an appropriate program and itinerary.

Eligibility: Canadian companies, producer organizations, marketing agencies, industry associations and potential foreign buyers.

Contact: Fisheries and Fish Products Division
Department of External Affairs
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 996-3577

DEPARTMENT OF EXTERNAL AFFAIRS

PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD) – INDUSTRY INITIATED

Program Objectives: To help develop export markets for Canadian agriculture, food and fisheries products by sharing costs with private companies of specific export marketing efforts.

Scope and Target: National

Criteria: Canadian companies wishing to develop or increase the export of Canadian goods and services through such means as specific project bidding, market identification, participation in trade fairs, sponsoring incoming buyers, promotion, feasibility and marketing studies, test marketing and trial shipments.

Terms and Conditions: Contributions of up to 50% to cover approved costs when the need to share risk is proven. Contributions are repayable if export sales are generated.

Eligibility: Companies, producer organizations, marketing agencies, industry associations in the agriculture, food or fisheries sectors.

Contact: Fisheries and Fish Products Division
Department of External Affairs
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 996-3577

DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION
***SMALL BUSINESS LOANS ACT* (SBLA)**

Program Objectives: Provide new or existing small businesses with guarantees on loans for a variety of capital purposes.

Scope and Target: National

Criteria:

- Refinancing of existing debts or working capital requirements - not eligible.
- Annual revenues not to exceed $1.5 M.
- Maximum outstanding $100,000.

Terms and Conditions:

- 80% of cost, installation, fixed or movable equipment.
- 90% of purchase cost, or construction of new premises or land, or renovation or improvement of existing premises.
- Rate of interest - 1% over prime rate of chartered banks; repayment period - maximum 10 years.

Eligibility: Small business

Contact: Central Canada and Territories

Small Business Loans Administration
Department of Regional Industrial Expansion
Ottawa, Ontario
K1A 0H5
(613) 954-5539

Atlantic Canada

Atlantic Canada Opportunities Agency
P.O. Box 6051
Fredericton, New Brunswick
E1C 9J8
(506) 857-6515

Western Canada

Western Diversification Office
Suite 138
200 Granville Street
Vancouver, British Columbia
V6C 1S4
(604) 666-6256

TAX INCENTIVES

REVENUE CANADA - CUSTOMS
MACHINERY PROGRAM (MACH)

Program Objectives: To increase efficiency throughout Canadian industry by enabling users to acquire advanced equipment, not obtainable from Canadian production, at the lowest possible cost yet affording Canadian manufacturers tariff protection on the equipment and machinery they produce.

Scope and Target: National

Criteria: The Machinery Program provides for remission of duty on machinery imports, related equipment and parts. Duty is payable on the first $500 of the aggregate value of the goods. The duty payable on the remainder is remitted if the applicant is eligible according to the program guidelines. Applications are accepted retroactively, within limits.

Terms and Conditions: Remission of duty on machinery and equipment. The amount of sales tax owing is also reduced via the reduced duty-paid value.

Eligibility: Purchases with a minimum dutiable value of $500 of production machinery and related equipment and machinery, and listed in Schedule 6 of the New Harmonized System Tariff. Reasonable equivalent machinery must not be available from production in Canada.

Contact: Applications are available at Canada Customs offices as well as the nearest Department of Regional Industrial Expansion office. Consult Revenue Canada's Memorandum D8-5-1 for further details.

Machinery and Equipment Advisory Board
Department of Revenue
Connaught Building
Mackenzie Avenue
Ottawa, Ontario
K1A 0L5
(613) 954-7100

REVENUE CANADA - EXCISE

SALES AND EXCISE TAX EXEMPTIONS

Program Objectives: To offer relief from federal sales and excise tax for selective types of production in Canada.

Scope and Target: National

Criteria: Exemption provided to certain types of equipment used by farmers and fishermen. Exemption also provided to certain users of equipment, such as manufacturers or producers.

Terms and Conditions: Sales tax exemption. Most goods purchased by farmers and fishermen to be used in their farming or fishing operations are exempt from federal sales tax.

Eligibility: Fishermen and farmers, certain transportation equipment, and commercial and industrial users of gasoline (see Fuel Sales Tax and Gasoline Tax Rebate).

Contact: For further details, contact local office of Revenue Canada – Excise.

REVENUE CANADA - EXCISE

FEDERAL FUEL TAX REBATE PROGRAM

Program Objectives: To rebate fuel sales tax on gasoline or diesel fuel to certain users.

Scope and Target: National

Criteria: The fuel tax rebate applies to gasoline-type fuels for use in internal combustion engines other than aircraft engines; and to diesel fuel, which includes fuel oil that is used in compression-ignition type engines. There is no rebate on fuel oil intended for, and actually used as, heating oil as this is already exempt.

Terms and Conditions: Rebate of 5.0 cents per litre for primary producers other than farmers, on application by qualifying users. Qualifying users buying in bulk may also apply for a permit allowing them to buy exempt, directly from suppliers. Rebate must be applied for within two years of purchase.

Eligibility: Farmers, fishermen, loggers and mine operators can apply for a fuel tax rebate on motor fuels (diesel and gasoline) used off-highway.

Contact: Application forms are available from Revenue Canada offices and post offices. For further information, consult local office of Revenue Canada - Excise.

REVENUE CANADA - EXCISE

GASOLINE EXCISE TAX REFUND

Program Objectives: To refund federal excise tax on gasoline to certain users.

Scope and Target: National

Criteria: Refund on federal excise tax on gasoline. Claims must be filed within four years of the date the gasoline was purchased if the gasoline was purchased prior to May 24, 1985. On and after May 24, 1985, claims must be filed within two years of purchase.

Terms and Conditions: Refund of 1.5 cents per litre to qualifying users.

Eligibility: A person for commercial or business purposes. This means any activity conducted by a person for the purpose of earning income from an office, employment, business or property, to the extent that the costs of the gasoline used directly in that activity is deductible in computing that person's income for a taxation year pursuant to the provisions of Part I of the *Income Tax Act*. Examples of eligible businesses are farms, corporations constituted exclusively for the purpose of carrying on scientific research, fishing, air services related to forestry, fish cultivation, map-making operations, aerial spraying, seeding and pest control.

Contact: Application forms are available from Revenue Canada offices and post offices.

Revenue Canada - Excise
P.O. Box 345
Ottawa, Ontario
K1N 8V3
(613) 957-1300

ENVIRONMENT

ACCELERATED CAPITAL COST ALLOWANCE PROGRAM (ACCA PROGRAM) FOR POLLUTION CONTROL EQUIPMENT, MACHINERY AND STRUCTURES.

Program Objectives: To encourage the installation of machinery and equipment that will control air and water pollution.

Scope and Target: National

Criteria: Projects are considered and approved on an individual basis and assessed against program objectives.

Terms and Conditions: Tax incentive: eligible capital may be written off over a three-year period (first year - 25%, second year - 50%, and third year - 25%).

Eligibility: Any proprietor or firm operating a business for profit and filing an income tax return. The program covers the total costs of equipment or processes installed for the prime purposes of controlling air and water pollution (i.e., prevention, reduction or elimination).

Contact: ACCA Program
Conservation and Protection Service
Environment Canada
Ottawa, Ontario
K1A 0H3
(819) 997-2057

ENERGY, MINES AND RESOURCES

ACCELERATED CAPITAL COST ALLOWANCE "CLASS 34"

Program Objectives: To encourage industry to install capital equipment to reduce energy waste, decrease dependence on oil and switch to renewable energy sources.

Scope and Target: National

Criteria: The Accelerated Capital Cost Allowance Program provides a fast tax write-off against corporate income for a range of conservation and renewable energy equipment. Eligible equipment acquired by the taxpayer after May 25, 1976 and before December 31, 1979 is eligible for a two-year write-off; a write-off of three years applies if assets were acquired after December 10, 1979.

Terms and Conditions: Tax write-off: Certified equipment can be written off over a three-year period (first year - 25%, second year - 50%, third year - 25%).

Eligibility: Equipment certified by Energy, Mines and Resources. Accelerated write-offs are available for capital assets that recover heat for reuse, small scale (15 megawatt) hydroelectric generation and solar heating.

Contact: Energy Conservation Branch
Energy, Mines and Resources
580 Booth Street
Ottawa, Ontario
K1A 0E4
(613) 996-2480

ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)
CAPE BRETON INVESTMENT TAX CREDIT

Program Objectives: To promote the expansion of the manufacturing and processing sector in Cape Breton Island.

Scope and Target: Cape Breton Island

Criteria: Purchase of equipment certified as eligible by Enterprise Cape Breton.

Terms and Conditions: A tax credit of 60% of eligible costs is available.

Eligibility: Commercial operations in Cape Breton Island paying Canadian taxes.

Contact: Enterprise Cape Breton
P.O. Box 2001
15 Dorchester Street
Sydney, Nova Scotia
B1P 6K7
(902) 564-3905

Or

Atlantic Canada Opportunities Agency.
P.O. Box 6051
Moncton, New Brunswick
E1C 9J8
(506) 857-6515

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APPENDIX A

EXTRACT FROM *REPORT ON CHALLENGES FACING THE FISHERY SECTOR*

Aquaculture

1. Fisheries ministers agreed to increase federal-provincial coordination to ensure orderly development of the aquaculture industry:

   a) to encourage the development of commercial aquaculture in Canada in a manner that is complementary to the continuing development of the wild fishery;

   b) to increase the economic returns from intensified production and harvest of high-value, marketable species of fin fish, shell fish and marine plants in the regions of Canada;

   c) to improve the quality and expand the variety of Canadian fish products;

   d) to improve the reliability of supply of Canadian products to be marketed in Canada and abroad;

   e) to create new employment and enriched income opportunities in the production of fish;

   f) to encourage long-range stability in the country's fish production sector through diversity and continuity of supply; and

   g) to promote the development and application of the most advanced technologies for intensive production and marketing of fin fish, shell fish and marine plants across Canada.

In pursuit of these goals, Ministers adopted the following basic principles:

a) the private sector should be relied upon to establish aquaculture ventures and to market the resulting products, taking advantage of existing structures where applicable;

b) the federal government and the provinces or territories should coordinate their efforts to ensure the orderly development of commercial aquaculture in Canada;

c) memoranda of understanding to promote commercial development should be entered into on a bilateral basis so as to recognize regional differences;

d) the regulatory frameworks of governments should be clarified for commercial aquaculture development;

e) government programs should provide support to the aquaculture industry in some key stages of development;

f) the federal government should continue to maintain a responsibility for fish health in general, including all cultured species;

g) continuing dialogue between the aquaculture industry and governments should be encouraged; and

h) in order to improve the technological basis for commercial aquaculture, governments should work cooperatively with industry in promoting and conducting R&D and transferring the resulting benefits.

APPENDIX B

MEMORANDA OF UNDERSTANDING COMMERCIAL AQUACULTURE DEVELOPMENT

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